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A BALANCED CURRICULUM IN BUSINESS EDUCATION

I

The task assigned to me is that of discussing the proper position of economics in the business curriculum. The statement of the problem dictates the order of development. We must first arrive at some hypothesis concerning what would constitute a coherent, balanced curriculum in business education. This done, an analysis of the part played and to be played by any given subject, such as economics, follows readily. It is ridiculously easy to formulate the outline of this discussion; it is ridiculously difficult to do more. Curiously enough, our development of business education has been attended with very little formal discussion or writing upon the proper scope, content, and balance of the curriculum. The subject thrusts one out upon a sea where only haphazard soundings have been taken, and surely I may be pardoned if I confine my voyage to one territory: the position of economics in the curriculum of the undergraduate-graduate (five-year) school of business of collegiate or university grade.

For a long time it has been recognized that training in certain subjects is a useful asset to the business manager. Knowledge of statistics, accounting, marketing methods, and a good English style, to mention only a few of many possibilities, may wisely be possessed by any modern business executive. There are other subjects, such as foreign languages, physics, chemistry, or mathematics, whose inclusion in the intellectual baggage of this business executive is urged with varying degrees of vigor. The reasons for their inclusion are not always specific. "Culture," "discipline," "mental training," "breadth," are the terms more frequently used by the professional gossips, some one of whom occasionally rises to the level of the remark that it is desirable to have a broad man before beginning the process of sharpening him to a business executive. In brief, there are many beliefs current with respect to the proper training for business, but, in the main, these beliefs lack clearness of definition, and charitable silence should be maintained concerning their logical basis.

Clearly defined, reasoned, curricula of business training cannot be evolved until some standard of valuation (not necessarily the same standard under varying conditions) has been set up. It is well enough to say that a business man should have a knowledge of statistics, or accounting, or law, or X, or Y, or Z, and a case may presumably be made out for any or all of the subjects mentioned; but if a curriculum is to be drawn up and certain courses are to be designated as required, and others as elective, and if this training is to be completed within a given time, it is clear that the question, How much time shall be given to statistics, as compared with accounting, as compared with business law, as compared with other subjects? becomes a pressing one, and it is equally clear that the answer must be determined on some basis of relative values. Some standard of valuation must give us answers to such questions as these:¹

1. What, if any, are the absolutely basic things which should be included in a business manager's training, and why are these things to be regarded as basic?

2. Granted that the basic training has been scheduled, what, if any, are important pieces of collateral training, and how may we determine what importance to ascribe to each?

3. Assuming that a given period of time is available for the training of our business manager, how shall we apportion this time among the basic and the collateral subjects?

There are, of course, many methods which may be used in arriving at a standard of valuation. The following is suggested as one method: *try to secure a generalized statement of the task, the function, of the business manager.* If this function is susceptible of analysis into somewhat definite component parts, the organization of a curriculum is already well under way. What the business manager at his best does is what we would prepare him to do, and a clear analytical knowledge of his operations can hardly fail to suggest the lines of training which will enable him to operate efficiently. Even more, it will throw much light on the relative importance

¹ In these years of development, practical administration will ask a fourth question: If it is found that present courses (in economics, let us say) are unsatisfactory either in content or in arrangement, how much shall we compromise with the existing order? The answer must, of course, vary with local conditions.

of the various elements of training. The difficulties in the way of an analysis of the task of the business executive and the limitations on its usefulness when completed are apparent enough. There is no one type of business and no one type of business manager. They are multitudinous, and we are not yet in a position even to guess how multitudinous. Under the circumstances let us arbitrarily assume a "manufacturing and selling" business with the full consciousness that the analysis of this type may be carried over to some other type only after due allowances have been made. Our problem has, by an arbitrary process of narrowing, now become that of stating in general terms the task or function of the responsible manager of a "manufacturing and selling" business. This statement is to be used as a touchstone for the undergraduate-graduate collegiate curriculum of business training.

II

Descriptively speaking, the problem of the business executive extends in two directions. Looking in one direction, he must organize, correlate, apportion, proportion, various elements entering into the *internal operations* of his business. The business world has generalized these operations under such headings as production, distribution, and administration. The "Classification of Business Activities" issued by the A. W. Shaw Company (see insert) is one

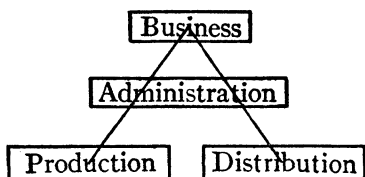
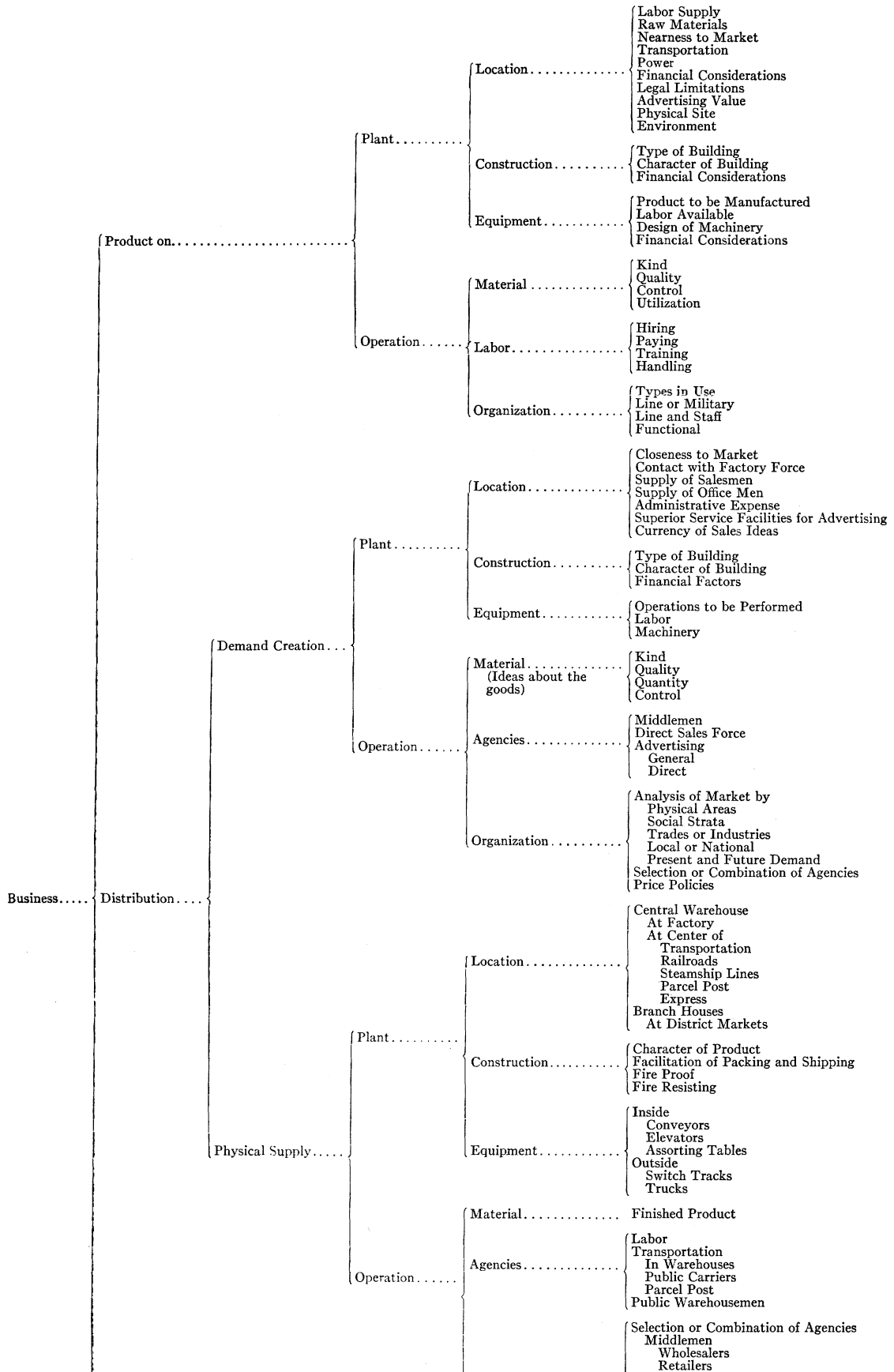


FIG. 1

way of showing their relationship. Others prefer to say that there are two main subdivisions of the internal problems of management, *production* and *distribution*, and that *administration* is a sort of plastic matrix enveloping and determining them both. Somewhat differently expressed, the essential idea of this view may be expressed in Fig. 1. The relative merits of these two methods of presenting the internal problems of business management are not here under consideration. It is evident that there are such problems. They are so clearly recognized that various schemes of classification can be presented.

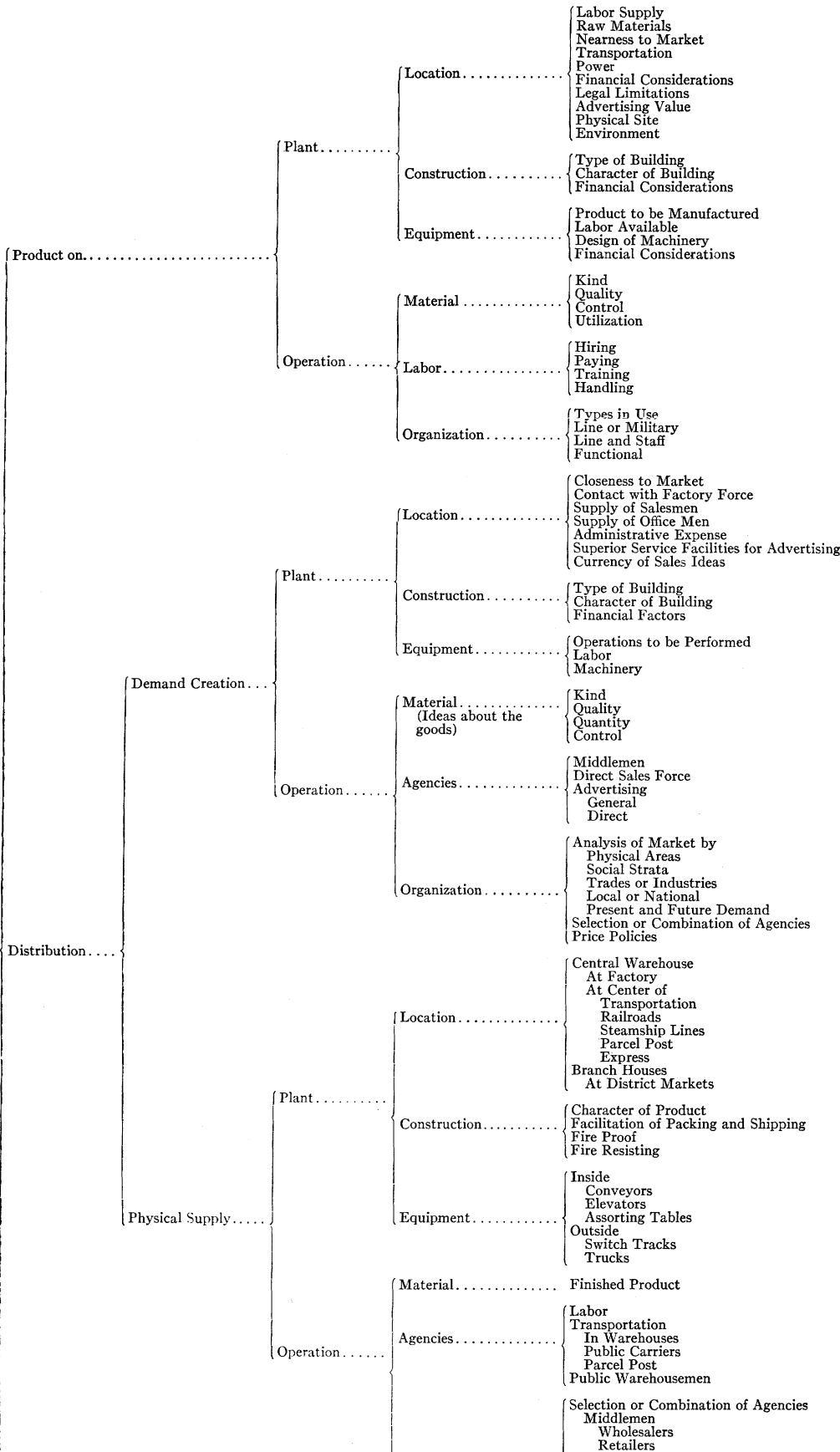
A CLASSIFICATION OF BUSINESS ACTIVITIES

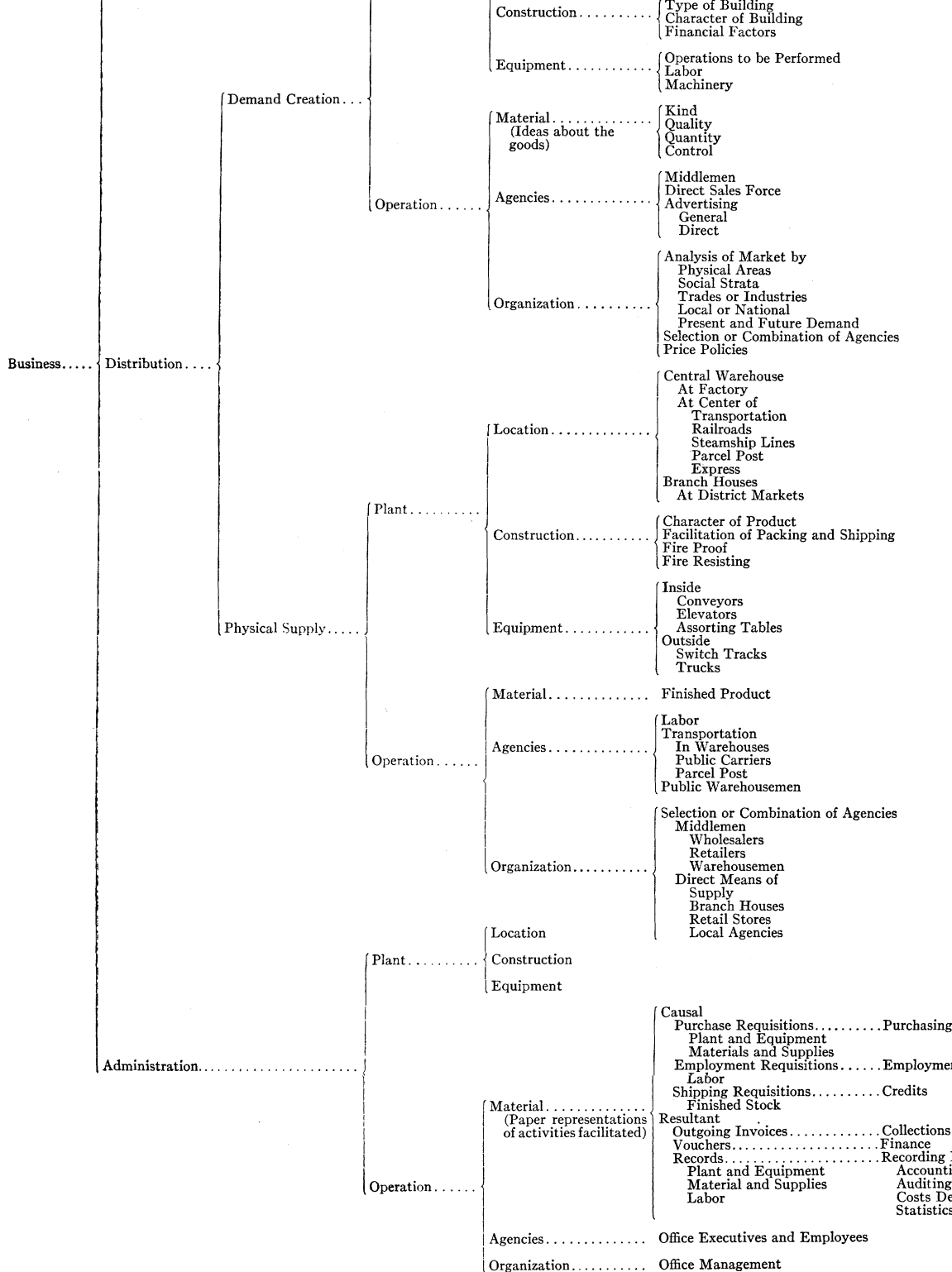
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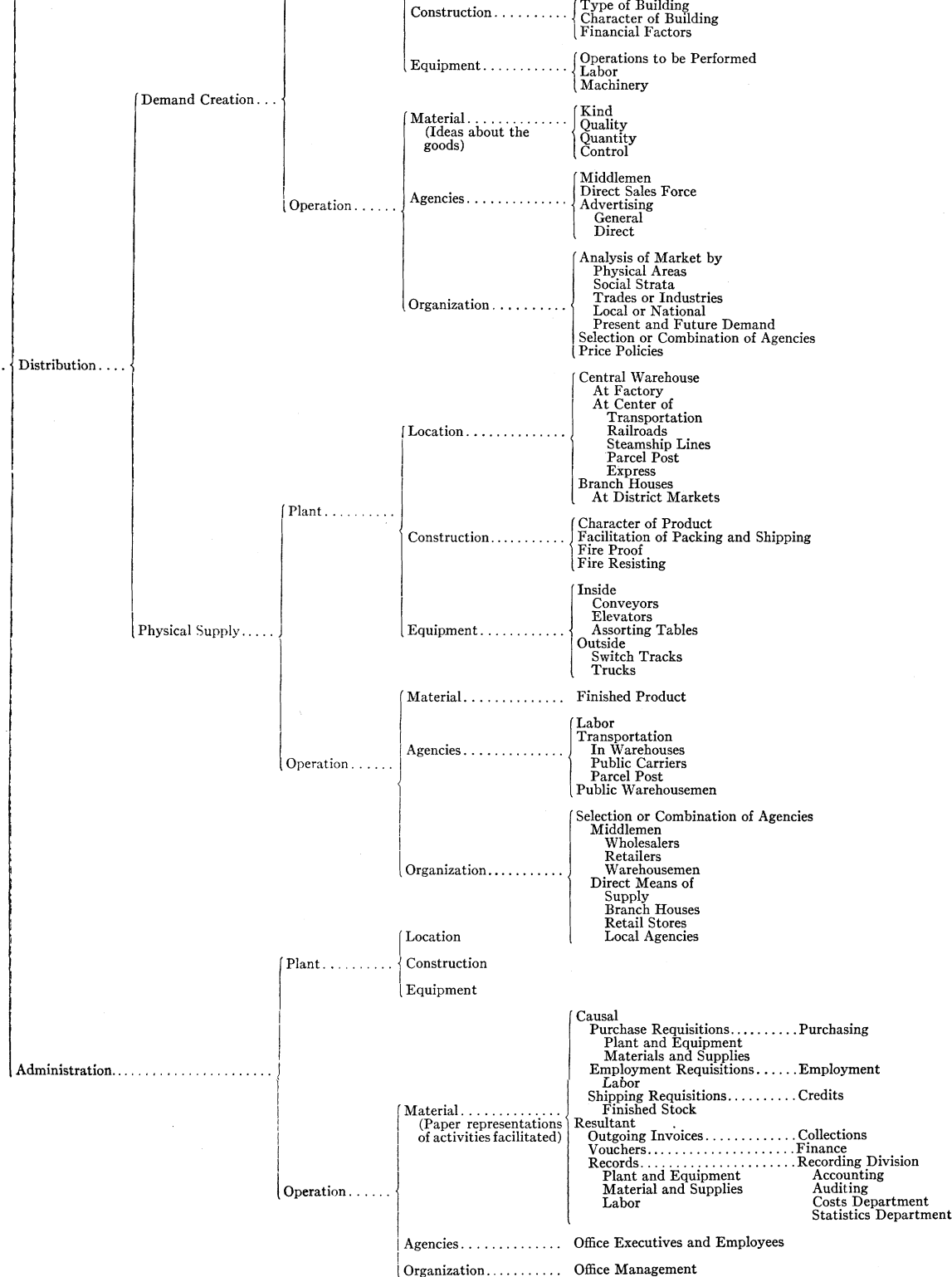


A CLASSIFICATION OF BUSINESS ACTIVITIES

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But this is not the whole story, perhaps not even half of it. Our business manager must, looking in another direction, organize, correlate, apportion, proportion, various elements entering into *the external operations* of his business. Our individualistic age may not have ready any such comprehensive diagram of these external operations as the business world has drawn of the internal operations, but there can be no question that they exist, and that they are as significant, as pressing, as ramifying, as the internal problems. Courses training to meet them are as truly "business courses" as are those concerned with the internal problems.

A few illustrations may give sharpness to this statement. Suppose that our business manager, viewing the internal problems of management, concludes, and his conclusion is approved by his cost accountant, that it would be profitable for him to use child labor in his factory, or that it would be profitable for him to work all his employees fourteen hours a day. Will he accordingly order these procedures to be carried out? Not if the law of the state in which he operates forbids it and he has reason to think the law will be enforced. Or suppose that his cost accountant demonstrates that it would be profitable to omit certain safety devices. It is clear that the law of the state may be more persuasive than the finding of the cost accountant. Or suppose that his sales manager demonstrates that a certain form of advertising would be profitable. If this form of advertising happens to run counter to the code of ethics of the Associated Advertising Clubs of America, our business manager may not think it wise to follow the gleam of profits. Examples without number might be cited. It is clear that social control, whether in the form of law, or of a code of ethics, or of public opinion, or of a group of men as represented by an employers' association and perchance by a trade union, may and does largely condition the policies adopted with respect to internal problems of business management.

But these external problems are by no means exclusively problems of social control as this term is commonly used. The form and structure of the industrial society in which the business exists are matters of vital significance to the manager. The form, structure, and functions of that society's financial institutions will go far to

determine policies with respect to financial measures—a relatively narrow range of choices will be vested in the manager. The form, structure, and functions of the commercial organization of that society will practically fix his sales policies. Technology and the operations of people under that organization of society known as the wage system will play their part. Thus indefinitely. Over all and through all, environment (external relations), social and physical,¹ will largely determine the range of the activities of the business manager.

I do not know any satisfactory way of reducing this statement to diagrammatic form. Indeed, it is apparent that the classification “external versus internal problems” is, itself, crude and even misleading. It is apparent that the figure of speech to the effect

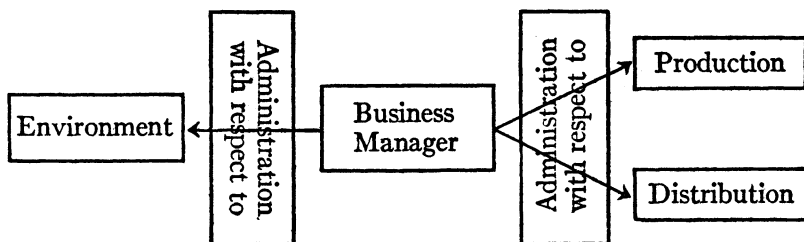


FIG. 2

that the business manager must accomplish the impossible task of looking simultaneously in two directions breaks down logically quite as much as it does physically. It is seldom true that he can look at internal problems and at external problems as separable issues. These so-called external problems *determine* the so-called internal problems and, possibly to a smaller extent, the internal problems determine the external problems. It is probably near the truth to say that the business manager administers an interacting complex which may, for purposes of discussion, arbitrarily be said to be made up of external and internal problems. With these statements before us no one will misunderstand a diagram (Fig. 2) intended to emphasize the organizing and administrative aspects of the manager's task.

¹ The scant attention given physical environment in this discussion is in no sense due to any belief that it is unimportant. On the contrary, its importance seems to me so well established that I have felt free, in the interests of brevity, to omit detailed treatment of this factor.

In shaping curricula the administrative aspects of the manager's work must be kept in the foreground, for we are, of course, rejecting the doctrine that managers are born, not made. We are feeling out methods of training. Some of us are hoping to see emerge, if not a *science of administration*, at least a *scientific approach* to the solution of administrative problems.

III

The problem of the business manager may be stated somewhat more analytically. Taking for granted the physical environment,¹ the task of the business manager may be said to be conditioned by four overlapping, interacting determinants (possibly they should be called variables): (1) technical matters, (2) value and price, (3) social environment, (4) continuous change.

1. The modern business manager has much to do with technical considerations. The development of such sciences as physics, chemistry, psychology, geology, has made available for practical application a great store of technical knowledge. The industrial revolution, the latest and the current chapter in the intervention of capitalism, has placed upon management the responsibility for the conduct of the processes of production in large-scale, group-labor machine industry. It is no longer humanly possible for the manager to know all the technique of all the processes of production under his supervision. In some cases the doctorate in our modern universities does not give sufficient training to cope with the technical problems even in a small subdivision of a business. But if the manager may not *master* all the technology involved, he should be *intelligent* with respect to it, and particularly he *must* be intelligent with respect to the relationship between processes. We are accordingly justified in regarding technical considerations as one of the main subdivisions of the business manager's problem. The precise form of the technology will vary from business to business, and from one aspect to another of a given business. The general rule may be laid down, however, that the manager of a "manufacturing and selling" business will constantly come into contact with technical problems, the proper administration of which will

¹See footnote, p. 88.

require training in such fields as physics, chemistry, geology, psychology, and the biological sciences, the field varying with varying circumstances.

As one illustration of the presence of technical considerations, observe the mechanical problem in the producing end of a machine-shop. Let the trustees of some great endowment go to the production manager with this proposal: "We intend to free you from everything except technical problems. Disregard price and financial policy entirely. Take any grade or grades of land, take any grade or grades of labor, take any of the present forms of capital goods, and take any or all of these in any quantity you choose. Work out for us the best technical combinations." The problem would be a formidable, even a staggering, one, able as the production manager would be to summon to his aid the fruits of generations of development in mechanical engineering. Years of patient research would be required. Similar problems having their bases in technical considerations other than those of mechanics will occur to everyone. Every manufacturing business finds them looming large, and probably no business is free from them.

2. Baffling as are the technical aspects of the business man's problem, they are after all but the beginning of his difficulties. These technical difficulties are all shot through and through with variables of value and price. Our business manager is not able to take any grade of land in any quantity he chooses; he may not select any grade of labor in any quantity he chooses; he may not utilize any existing form of capital goods in any quantity he chooses. In every case *price* enters, and he must ask himself such questions as these: Will this grade of land for which I must pay x dollars be better for me than that grade of land for which I must pay y dollars? Shall I use this grade of labor at this given price, or would it be better for me to use another grade of labor at a different price? Shall I use this particular machine at this price, or shall I use one of the scores of other machines which will be furnished me at different prices? And after he has reached some solution of these questions, he learns that price is again the significant consideration in the disposal of his product. In all of these price intricacies the business man is largely the victim of circumstances. Unless he has

monopoly power, he has as an individual very little to say concerning the price at which he may secure any factor of production, and still less to say concerning the price at which he may dispose of his product. In the pecuniary aspects of his problem he is grappling with forces which he must understand if possible, but which he can do little to control.

3. Still further complicating the business manager's technical problems, shot through and through as they are with the variables of price, is the factor—variable—social environment. The modern business manager is not conducting his business up in thin air, nor is he located on a desert island. He is in the midst of organized society, and his operations are subject—more than he is likely to realize in our individualistic régime—to what we have come to call social control, both formal and informal, both conscious and unconscious. Quite aside from social control in the modern sense, the organization of society, its whole psychological and institutional background, lays down limits to his freedom of operation. But this has already been sufficiently discussed for our present purposes.

4. And there is a fourth factor, or variable, or characteristic aspect of all the foregoing factors—continuous change, the influence of progress—and this crisscrosses all the other factors. There are changes in technique, some of which may result from an intensive study of his own business and some of which may be forced upon him, in this pecuniary, gain-organized, competitive business world, by outside inventions. The methods of production or of marketing may be revolutionized within a few years. There are changes in the price factor, some brought about by his own action, some brought about by the action of competitors, some forced upon both him and his competitors by happenings that to the lay mind have no conceivable bearing upon the business concerned. There are changes in the social environment, and these are typically little under his control. Indeed, in general terms, the individual will have little influence in determining any or all of the possible changes. None the less, the slightest misjudgment of the actual course of events often means for the business but one outcome, failure. Woe to the business manager whose training gives him a static conception of business problems!

IV

It will be remembered that we engaged in this analysis of the task of the business manager in order to suggest and evaluate certain lines of training. Granted, now, the essential correctness of the descriptive statement of the problem of business management as being the organization and administration of an interacting complex of (1) internal and (2) external problems, does it follow that we are committed to the organization of a curriculum with two sets of courses announced in the catalogue, one set covering internal problems and the other external problems? A mechanical mind might so conclude. Or, granted the essential correctness of the more analytical statement of the task of the manager as being composed of technical matters, price considerations, social environment, and change, must our curriculum have four sets of courses? On those assumptions the arrangement would be logical.

But either of these arrangements would probably be unwise, and certainly they could not be carried out simultaneously, though both the analytical and the descriptive statements of the problem be true. Such analysis may be—I think it is—useful in showing the location and the character of the fields of training. It gives hints concerning the ways in which we may utilize some existing courses in various fields. It suggests the direction to be taken in modifying others. It indicates gaps which must be filled with new courses. It shows what goals our schools for the training of business executives should keep before them, but it does not prescribe the character of the road which is to be used.

In practice the organization of the curriculum of a given institution must be the result of a series of compromises. Students come from the secondary schools and from other colleges: the curriculum must be adjusted to meet that fact. There are many institutions of different types giving business training—engineering schools, colleges of commerce, business colleges, high schools, correspondence schools, corporation schools, night schools, and others: the curriculum of a given institution must take account of this and join in the division of labor. There is ignorance and prejudice among our academic brethern: they may force the business curriculum to take a certain trend. There is the fact

that it is not humanly possible to assemble and organize new material on a moment's notice: the business curriculum may be compelled temporarily to use unsatisfactory material as given by the long-established departments. Other compromises, almost without number, will occur to anyone who has come to grips with the problem.

I do not intend, however, to evade the issue by crying "compromise," even if what I shall now suggest appeals to some as being still more evasive. Even if it were possible to avoid making the business curriculum a series of compromises, it would still seem to me most unwise to set up, especially in this formative and experimental period, a highly mechanized program to which everyone must adhere. Much more to my own liking is the individualized curriculum, one varying according to the past training, present intellectual equipment, and future destination of each student. This does not mean the free elective system. On the contrary, it involves placing all or nearly all the course of each student at the disposal of some responsible officer or board, said board or officer to be provided with sufficient equipment, financial and otherwise, to make the plan feasible. I am not willing to grant that this elastic, adjustable program involves an evasion of the problem propounded at the beginning of the paper, that of arriving at a hypothesis concerning a balanced curriculum. It does mean a refusal to state this balance in terms of exact percentages or hours of credit, over the details of which the mechanically minded may bicker interminably and to little purpose, but it also means an honest attempt to solve the question on a broad educational basis, whose formula is this: each student shall have drawn up for him a program which (including high school, college, and graduate work, if any) gives that student as reasonably adjusted a curriculum as can be worked out in terms of that student's educational needs. The program must cover, with due sense of proportion, the external and internal problems of the manager; it must care adequately for the variables of technology, price, environment, and change. If these statements still seem vague and uncertain, let us watch their application in considering the relation of economics to business training.

V

What now is the relation of economics to business training? I am concerned in presenting three positions:

1. Important as economics is, it falls far short of being all that is needed in business training. The economist can claim no monopoly of the field. His is not the "master-science" of business.

2. The material which the economist possesses can be, and should be, supplemented and rearranged so as to be of even greater service to business training. This does not involve the sacrifice of other purposes to which economics is put. It means their gain.

3. If business training owes much to the economist—and it does—it is equally true that economics owes something and will in the future owe more to business training. The relationship is neither historically nor logically one of parent and child; it is rather one of co-operators.

1. It is submitted that training in economics is not, by the nature of the case, adequate and complete training for business management. Too many persons are prone to accept, as an analysis of the problem of the business manager, some such statement as the following:¹

The whole field of business is here charted in such a way as to show clearly the relations of various business activities one to the other. Economics, the study of business conditions and business policies, is pictured as the hub of all business activity, and radiating from it are the four grand divisions of business—production, marketing, financing, accounting. These are in turn subdivided into the more detailed activities which they include. Binding the whole and forming a rim which prevents the shattering of the entire wheel of business is commercial law. [See Fig. 3.]

I shall not argue the case. Anyone who is in sympathy with the spirit and purpose lying back of the analysis of the problem of the business manager into (1) technical factors, (2) value considerations, (3) social (and physical) environment, and (4) changing conditions will not be content with the analysis illustrated in Fig. 3. Economics alone or economics combined with commercial law does not provide comprehensive business training. Economics does, indeed, care for price and value considerations as does no other single

¹ *Forging Ahead in Business*, pp. 50-51.

science; it contributes very much, indeed, to an understanding of social environment; it can be so manipulated as to be of great service in developing alertness to cope with changing conditions, and there are cases where it is of assistance in technical factors, but it is far from the whole story. Psychology, government, sociology,

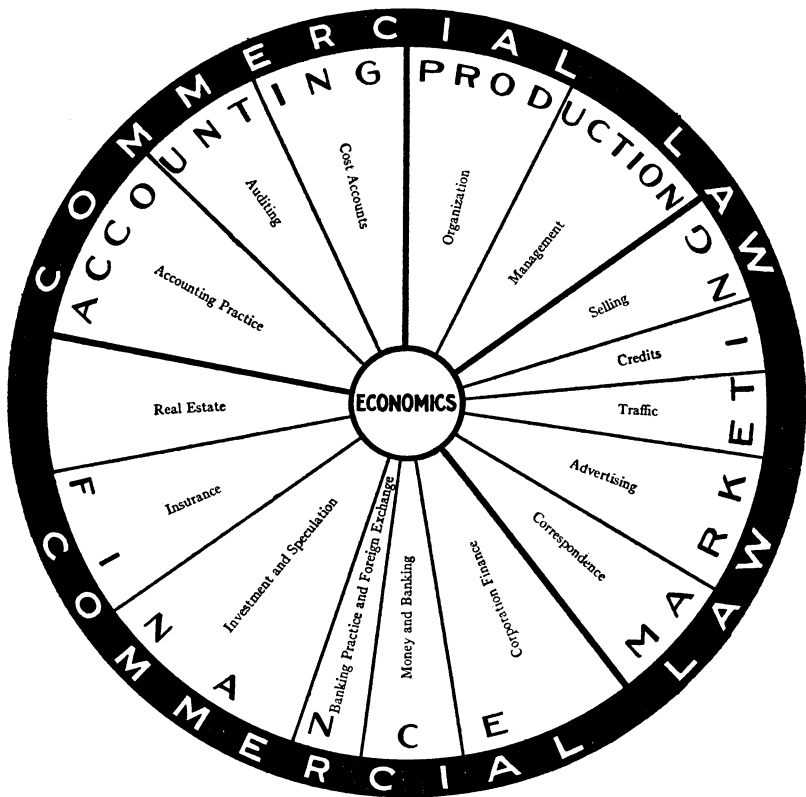


FIG. 3

the exact sciences, the biological sciences, history, all may with justice claim a part in the play. Business is, after all, a pecuniarily organized scheme of gratifying human wants and, properly understood, falls little, if any, short of being as broad, as inclusive, as life itself in its motives, aspirations, and social obligations. It falls little short of being as broad as all science in its technique.

Economics cannot mother all this. Economics is but one of the brood, and it is a fair question whether it could be established to be the most important one. Certainly, in individual cases, economics would yield to other sciences. For example, a man preparing to be the production manager of a machine-shop might well regard formal training in mechanical engineering more of an asset than formal training in economics if he were compelled to make a choice. It is to be noted, at least, that our schools of technology have organized their curricula on this hypothesis, and there is little in history or logic to indicate that theirs is a mistaken venture. The gradual inclusion of economics courses (they are almost always "adapted") in engineering curricula is a tardy recognition of the value of economics in business training, but it is by no means a recognition of overlordship.

After all, it is self-evident that economics does not furnish all or even a large part of the training required in meeting the problems of *technique* in business *processes*. Equally, it is self-evident that economics does not furnish all (in the form in which it is too frequently presented, not even a large part) of the training required to cope with the social environment, though here our science certainly renders excellent service.

There is still another angle to the case. We hope to train for business *management*, for business *administration*. As has been said earlier, some of us are hoping to see emerge, if not a science of administration, at least a scientific approach to the solution of administrative problems. If this field lies within the proper scope of economics, we economists have been most negligent, for the recognized handmaidens of the new science or scientific approach are such sciences as psychology, physics, mathematics (especially in the form of statistics), and that economic pariah, accounting.

2. The foregoing statements cannot properly be interpreted to mean that we may dispense with economics in our schemes of business training. Quite the reverse. The opportunity open to economics in this field is so great and so insistent that a very considerable expansion of our science seems clearly justified. But we must grasp the situation. We must cease expecting opportunity to bruise her knuckles calling us to the door. If we do not have a

care, there is a strong probability that even as the sociologist has been inflicted upon the world because of the sins of the economists, so also our present sins of omission may confirm the business world in its drift to the psychologist and to the engineer. In brief, we economists, while retaining our present technique and most of our present courses, *should rearrange our scheme of presentation and should reach over into the administrative fields lying nearest us.* This raises so many issues that I despair of presenting them properly in reasonable compass.

To begin at the beginning, many of us need to acquire a different outlook with respect to the introductory course in the principles of economics. That course is and always has been in its subject-matter a course on the structure and operations of industrial society. How many instructors are aware of the fact? How few students are aware of it after they have taken the course! All that is required is a change of attitude and outlook of the instructor. It is questionable, however, whether this change can occur with the great mass of instructors until the subject-matter of the course has been rearranged *with the specific purpose* of calling attention to "the structure and functioning of industrial society." The gains flowing from such a rearrangement would be considerable. A "structural" introductory course would present sharply to our business students the "external problems," the "social-environment problems," of business management; it would give students of economics who are not preparing for business a reasonably clear view of relationships in our industrial society before they pass on to more technical studies; it would greatly facilitate the correlation of high-school and collegiate work; it would also facilitate a more orderly presentation of advanced work in economics.¹

In the business curriculum, this course on the structure of industrial society might well be followed by a *general-survey course*² on

¹ A decent respect for the patience of readers impels me to omit detailed consideration of the case for and the content of a course on the structure of industrial society. It may be noted here that such a revamping of the elementary course would go far to remove the dissatisfaction now felt by many commerce instructors with economics as an introduction to the advanced business courses.

² We organize our social-science subjects on the assumption that it is wise to begin with general-survey courses and then proceed to the more intensive consideration of

business administration. This is not the place to outline in detail such a course. The content will be sufficiently indicated for present purposes by saying that its outlook is determined by the fact that the business manager administers an interacting complex of external and internal problems; its specific topics might well include, in addition to other material, the fields suggested by the "classification of business activities."¹ Possibly the course might be appropriately characterized as one dealing with the administration of the internal problems of business management in the light of the preceding course on the structure of industrial society.

The foregoing suggestions concerning introductory general-survey courses carry with them certain suggestions concerning the presentation of advanced work in both old-line economics and in the newer "business" courses. In the arrangement of advanced work in economics marked progress has occurred in the last decade, but it is still too true that, to borrow terms from the business world, our courses of instruction have been on the "departmental"² rather than on the "functional" basis. That is to say, the "advanced" courses have dealt with specific "problems," one after the other, and most of these "advanced" courses have been on approximately the same level of instruction. A better arrangement would result from inserting a range of intermediate courses dealing with certain functional (for lack of a better term) material common to several or all of the "problems," and then having these intermediate courses followed by *really* advanced departmental courses in specific "problems." To cite merely one example out of many: We have been prone to follow the introductory course immediately with courses in money, banking, crises, financial various fields. This may or may not be a correct assumption. Intellectually, I have much in sympathy with those who challenge its validity, but as a practical matter it seems to me best to build on what foundations we have. Accordingly, I suggest a curriculum constructed on a foundation of general-survey courses.

¹ See insert, p. 87.

² The reasons for the prevailing "departmental" arrangement are not far to seek. The development of economics was naturally and properly closely connected with emerging problems, and courses in problems naturally became fixed in curricula. The classical attitude toward economic theory played its part also. There was too much of the master-principles-and-then-apply-them outlook. See *Journal of Political Economy*, 21:18-33.

history, credit, corporation finance, investments, etc. Surely it would be defensible logically to have the introductory course followed by an intermediate course on "the function of finance and financial institutions in industrial society," and then give such (really) advanced "problem" courses as served best to meet the local situations. This would, of course, combine the functional and departmental plans. Similar illustrations in other fields will occur to everyone.

This functional-departmental arrangement has its application also in training for business. It is of course hypothetically possible for our colleges of commerce to develop ranges of courses preparing respectively for railroading, soap manufacturing, tanning, mail-order selling, chain-store management, insurance, and so on through the thousands of different business activities. To do this, however, would mean much duplication of material, would be wasteful of the energy of both the student and the instructor, and would involve financial expenditure quite beyond any possibility of realization by a single institution if any considerable section of the business field were to be covered. Accordingly, while we should (and shall) develop courses in preparation for specific pursuits, the present drift seems to be toward relatively few "departmental" courses and relatively rapid development of basic, intermediate "functional" courses. It is earnestly to be hoped that the various institutions training for business may prove sufficiently wise and sufficiently co-operative to so divide the responsibility of developing these "departmental" business courses that each may have a relatively narrow range of business activities for which it will offer superlative training. Naturally, all these institutions must offer the basic functional courses.

It so happens that the functional-departmental arrangement of work in economics (as such) can go for a considerable distance hand in hand with the functional-departmental arrangement of courses in business. In these years of development this is probably the wise policy to follow in the case of the business courses, and just here is the opportunity of economics. Here is our chance to rearrange our scheme of presentation and reach over into the administrative fields lying nearest us. Here is the place where we may most

rapidly reinstate economics as *one* of the handmaidens to the scientific approach to problems of administration. How can this be done? In no one necessary inevitable way. Many roads reach the same goal. Accordingly, no one will interpret the illustrations which follow as a set program for all institutions or even for one institution. Particularly, in these illustrations the word "course" must not be interpreted to imply a fixed entity which must be given in one block in one definite period of time. Rather it should be interpreted as a body of material which may be fitted into the schedule in one or more of many ways.

The following are some of the ways in which economics might properly (certainly with as much propriety as psychology and engineering) extend its domain. Our courses have in the past dealt mainly with questions of public policy, with the social environment, with the external aspects of business. Let us retain this field—even here many of us might well be much less positive that we know where economics leaves off and political science, philosophy, psychology, etc., begin. In retaining this field, however, let us **rearrange** our offerings so as to have the elementary courses followed by a series of *functional* intermediate courses. Then either crowd into these or develop on parallel lines functional courses on the business manager's administration of the complex of external-internal problems lying in this particular field. The diagram on p. 101 presents, not an ideal arrangement of these elementary and intermediate courses, but a compromise plan which seems feasible in terms of our development up to the present time. I need hardly point out that this diagram is limited to the economic and quasi-economic contributions to business training.

It is doubtless apparent that there is little which is either radical or new in this scheme of presentation. If it has significance, it is mainly in consequence of its outlook, its spirit rather than its physical content. We have long had courses in labor conditions and problems in our colleges and universities, and courses in "The Employing Function" are now creeping into the offerings of our colleges of commerce. I submit, without argument, that (really) advanced courses in trade unions, labor legislation, social politics, etc., would profit by having co-ordinate prerequisite inter-

mediate offerings of the kind mentioned. The situation with respect to the courses in the field of finance has already been noticed.¹ Courses in accounting and statistics present problems indeed, but none that are insuperable. A course in risk and risk bearing would be organized with the consciousness that insurance is only one, and possibly not the most important one, of the ways of meeting the risks of speculative industry. Such a course should furnish admirable setting for advanced work in insurance in both

Elementary Courses	Intermediate Courses	Advanced Courses
	<div> { Labor Conditions and Problems The Manager's Administration of Labor } </div>	
	<div> { The Financial Structure and Financial Institutions The Manager's Administration of Finance } </div>	
The Structure of Industrial Society	The Computing Aids of Adminis- tration, i.e., Accounting and Statistics	According to Resources and Local Needs
General Survey of Business Admin- istration	Risk and Risk Bearing	
	The Transport Function	
	Market Structure and Adminis- tration of Marketing	
	Social Control of Competitive Machine Industry	
	The Development of Industrial Society	

its social and in its business aspects. The discussion of the transport function and of market structure and the administration of marketing might be organized into separate courses or might be distributed among elementary and advanced courses as seemed best in a given situation. Either way should enable really advanced courses in railroads, advertising, price policies, etc., to be developed. It seems to me entirely logical to cease offering intermediate courses in such subjects as railroads and trusts, substituting therefor an intermediate course on the social control of competitive machine

¹ See pp. 98, 99.

industry. This would make possible really advanced work in railroads, municipal utilities, trusts, etc. The title "The Development of Industrial Society" is used instead of "Economic History," because it seems worth while to emphasize the importance of having here a course which reveals the emerging structures and institutions of our society rather than one which deals in historical facts or even in "the application of economic principles," whatever that may mean.

Very likely the solemn, even melancholy, thought has occurred to someone, Is this economics? If it were worth taking the time I should be willing to defend the proposition that it is economics of the growing, virile, coming type. There are, however, things more worth-while than a discussion of appropriate names. Business training is with us and with us to stay. The outstanding question for economists to consider is whether they wish to profit from its presence or, through what I am tempted to call a Bourbon spirit, to repeat the sort of mistakes they have too often made in the past.

3. Economics owes something and will in the future owe more to business training.

a) With respect to content: If the expansion for which I have argued in the foregoing pages occurs, this will itself mean an *enlargement* of the content of that which I think should be called economics. Even if the Bourbon spirit prevents this business work being regarded as economics, the development of business courses will none the less mean an *enrichment* of the content of old-line economics. Even public-policy economics must be public policy with respect to facts, and business education is unearthing and in the future will more rapidly unearth a mass of data which will furnish the basis of public action. Even more, it will almost certainly cause a reconsideration of some phases of that which we call economic theory. For example, I have yet to see anyone who has carefully worked through the modern schemes of wage payment under business administration who has emerged from that study content with current wage theories. He seldom has much respect for them.

b) With respect to spirit: Science for science's sake is a noble motto. I hope it may never cease to be cherished by a few. But

science for art's sake is no mean motto, and it will be adopted by many. Whether it be true that no science *could* long exist unless it had significance for practical purposes, it is beyond question true that a science filled with the spirit of service possesses a tremendous motive force and is likely to prosper. Our own science has always stood permanently for service. In the past its emphasis has been upon public policy. What we need to see now is our opportunity to serve private business *and by so doing to serve public policy*. For example, are we likely to "solve" the trust problem until we are turning out business managers who have seen the significance of the external problems of management; who have seen the rôle of competition in society; who accordingly have a basis for understanding the significance of the issue, "fair versus unfair" competition; who appreciate the function and the agencies of social control of industrial activity; who can combine a knowledge of social obligations with a knowledge of business technique? And if perchance the trust "problem" does not need all this for its solution, are we so foolish as to believe that it is the last problem which will ever emerge? And this leads to another matter with respect to the spirit of economics. We are reforming, but we are still cursed with the classical, non-evolutionary, apply-fundamental-principles attitude. These "fundamental principles" have in large part been derived from eighteenth-century tool industry and eighteenth-century philosophy. They frequently apply quite unsatisfactorily to twentieth-century evolutionary machine industry and twentieth-century conditions of life in an economic régime wherein the pecuniary organization is "having its head." What we need is not abandonment of respect for principles, but zeal to secure data for the establishment of correct principles, or at least of principles more nearly applicable than those of the eighteenth century. Business training and business research will here render yeoman service whether the orthodox will or no. And the spirit of the new research and of the new principles will be an evolutionary spirit.

c) With respect to the attitude of the community: The economist has long wailed that he is not held in sufficient esteem by the community. Eagerly he peers about to find evidences of the dawn of a new day wherein he shall come into his own. To some there

is no hope of the dawn unless "we shall stand uncompromisingly by fundamentals until the populace has been educated to a proper appreciation of the great economic truths." Others of us are more concerned to *find* some of the great economic truths of the new régime and to be willing to abandon them if a change of conditions renders them no longer applicable. All of us might well join in a movement to render service to business when by so doing we shall be reaching perhaps the most significant single agent in our industrial society, the business manager, paving the way for intelligent co-operation in the social control of industrial activity, and securing for economics its place along with psychology and the exact sciences as the servant of man in his everyday activities. Business training—if the economist chooses frankly to co-operate with it—can give to the economist the community respect he desires. I am none too certain it can ever be secured in any other way. This respect no one of us desires for the sake of a cheap popularity. All of us covet respect as an opportunity to render service.

VI

My subject is the proper position of economics in the business curriculum, and upon that I have said my present say. The primary issue was and is that of arriving at a reasonable hypothesis concerning the content of a balanced business curriculum. Attempts to state that content in terms of the precise number of hours or courses to be devoted to given subjects seem to me unwise, not only because business education is in its formative stages, not only because the American educational system as a whole is so distinctly unmechanized, but also because of the inherent merits of an individualized curriculum, variable according to varying needs. Anyone so disposed may, of course, translate this into terms of *minimum* requirements and say this means v hours of psychology, w hours of business law, x hours of such and such old-line courses in economics, y hours of physics, z hours of various new "business" courses, and so on almost without end. However, the balance between basic and collateral elements of the curriculum as well as the apportionment of time and energy among the basic elements can be applied to the individual case with sufficient

accuracy without setting up arbitrary minimum standards if we have in mind a reasoned hypothesis concerning the task of the business manager. This hypothesis will also serve as a means of estimating needed developments among the various sciences contributing to business education. The case of economics has been considered. The cases of psychology, physics, law, linguistics, and the rest are susceptible of similar analysis. What are "the rest"? The answer is indicated in a sentence occurring earlier in this paper. "Business is a pecuniarily organized scheme of gratifying human wants and, properly understood, falls little, if any, short of being as broad, as inclusive, as life itself in its motives, aspirations, and social obligations. It falls little short of being as broad as all science in its technique." Preparation for business *administration* must recognize the breadth of its task and must recognize that it has little to gain by having requirements stated in terms of degrees, maturity, or any other mechanical device. It has much to gain from starting with some working hypothesis concerning the journey to be taken, with an organization of work which will serve to unlock the stores of knowledge accumulated by the standard sciences, with a determination to pour its immediate resources into the development of functional rather than of departmental courses. So shall we obtain a present, coherent, balanced curriculum; so shall we steadily modify this curriculum into the better one of the future.

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